

APPENDIX bb

MANAGEMENT REFORM MEMORANDUM #15 BUSINESS PROCESSES AND PROCEDURES

The following attachments contain the business processes and procedures which apply to shipments made using US Bank's PowerTrack. For questions regarding MRM #15 business rules contact the MRM #15 Program Management Office at DSN 761-5155 or commercial (703) 681-5155.

Table of Contents

Page Number

Attachment 1, Surface Business Rules	bb-1-1
Attachment 2, Sealift Business Rules	bb-2-1
Attachment 3, Airlift Business Rules	bb-3-1
Attachment 4, TWCF Business Rules	bb-4-1
Attachment 5, Glossary	bb-5-1

ATTACHMENT 1

Surface Commercial Carrier Payment Business Rules

A. PURPOSE

This Appendix describes the business rules that govern the Surface commercial carrier payment process. The rules relate to the timing of transactions, confirmation/validation requirements, exception handling, and other issues that may arise during shipment and payment of Surface commercial carrier cargo.

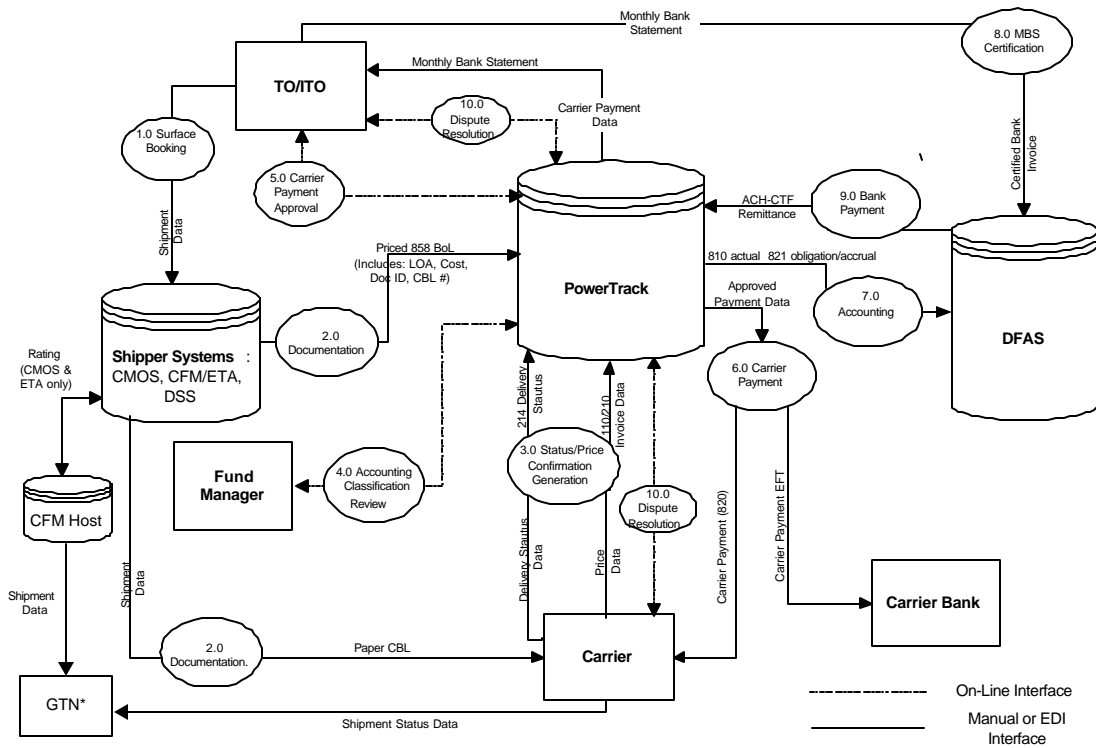
B. SCOPE

The business rules are applicable to the military Services and Defense Agencies. The business rules address carrier payments and the associated accounting requirements. The Surface commercial payment process enables the Defense Finance and Accounting Service (DFAS) to reimburse U.S. Bank for cargo movement services. Carriers are paid directly by U.S. Bank. It also enables DFAS to establish and liquidate the obligation for the shipper customer. The Surface commercial payment process is applicable to carriers, brokers and third party logistics providers categorized as Less Than Truckload (LTL), Truck Load (TL), Express, Munitions, and Air Freight. Where the carrier is referenced in this document, it is understood to include third party logistics (3PL) providers.

C. SURFACE COMMERCIAL PAYMENT PROCESS FLOW DIAGRAM

The Surface commercial payment process flow diagram shown below presents a general representation of the Surface business process. The numbers in the process flow diagram correspond to the business rule numbers that are described in following paragraphs.

ATTACHMENT 1



Surface Commercial Payment Process Flow Diagram

* GTN receives in-transit visibility data from shipper systems, carriers, and other sources involved in the Defense Transportation System (DTS). All GTN interfaces are not reflected in this diagram.

ATTACHMENT 1

D. BUSINESS RULES

The Surface commercial payment process business rules relate to the 10 primary functions in the payment process:

1. Surface Booking
2. Documentation
3. Status/Price Confirmation Generation
4. Accounting Classification Review
5. Carrier Payment Approval
6. Carrier Payment
7. Accounting
8. Monthly Bank Statement (MBS) Certification
9. Bank Payment
10. Dispute Resolution

1. Surface Booking

a. The shipper transportation office will enter shipment data into the automated shipper system (e.g. CMOS for Air Force and Marine Corps, CFM/ETA for Army, Navy and Defense Contract Management Command, and DSS for Defense Logistics Agency) for all shipments that can be processed by that system. If the shipper system is unavailable (i.e. system is down), and Commercial Bills of Lading (CBLs) are created manually, the transportation office will enter the data into the system and release the data to PowerTrack when the system becomes available. If shipper system is unavailable after 3 GBDs, the data shall be entered directly into PowerTrack.

b. The transportation office will use the shipping site's DODAAC or issuing office GBLOC to identify the site in the CBL. If the wrong identifier is used, the shipment will not be assigned to the correct PowerTrack account. Contact MTMC or the PowerTrack help desk for assistance.

c. If a carrier proprietary system is used to create the CBL or Air Waybill, the transportation office must inform the carrier which account will be used. PowerTrack will assign the transaction to a PowerTrack account based on the carrier account code. If the transportation office gives the carrier the wrong account, the transaction will be assigned to the wrong PowerTrack account.

d. The transportation office will enter the Standard Carrier Alpha Code (SCAC) of the carrier to which the shipment is tendered. This SCAC will be used by PowerTrack to identify the carrier moving the shipment. Contact MTMC or the PowerTrack help desk for assistance if the SCAC is unknown.

ATTACHMENT 1

e. Transportation offices using CMOS or CFM/ETA will not accept a shipment without an obligation document number supplied by the shipper. For all Navy and Marine Corp shipments, the Transportation office will obtain and provide a valid LOA and SDN (Standard Document Number). The transportation office will enter the obligation document number on a TCN by TCN basis. **The transportation office must ensure that there is a TAC or Line of Accounting on each CBL.**

f. The “Bill To:” field will contain “US_Bank_PowerTrack” to identify PowerTrack shipments. CMOS users must enter “US BANK” in the Bill to DODAAC field.

Business Rules for Surface Booking	
Condition	Rule
Shipper system available for booking	Transportation office enters data into shipper system, which feeds PowerTrack.
Shipper system unavailable for booking	Transportation office manually generates CBLs. When system becomes available, transportation office enters data into system and releases data to PowerTrack. If shipper system unavailable after 3 GBDs, the data shall be entered directly into PowerTrack.
Transportation office enters incorrect shipper DODAAC or issuing office GBLOC in the CBL	If given the incorrect DODAAC or GBLOC, PowerTrack will assign an incorrect PowerTrack account. Therefore, the transportation office must ensure correct DODAAC and GBLOC are used. Contact MTMC or the PowerTrack help desk for assistance.
Transportation office entering shipment data	Transportation office shall not accept a shipment without valid obligation document number. For all Navy and Marine Corp shipments, the Transportation office will obtain and provide a valid LOA and SDN.
	Transportation office will ensure there is a TAC or LOA.
	Transportation office will enter “US_Bank_PowerTrack” in the “Bill to” field to identify PowerTrack shipments if it is not system generated.

ATTACHMENT 1

2. Documentation

a. The transportation office will print a minimum of two hard copies of the CBL: one to file, and one to give to the carrier.

b. Manifest and pickup:

- The transportation office will provide a paper CBL/manifest to the carrier at pickup.
- The shipment information must be sent from a shipper system (e.g., CMOS, CFM/ETA, and DSS) to PowerTrack no later than 24 hours after pickup. This will release the electronic CBL data to PowerTrack.

3. Status/Price Confirmation Generation

a. The carrier will submit delivery status to PowerTrack via EDI 214 transaction set (preferred), via the PowerTrack web interface, or by telephone. If the carrier submits price data to PowerTrack it will be via EDI 110/210 transaction sets. The carrier will perform services according to the shipping instructions as specified in the CBL and applicable contracts, tenders, and Guaranteed Traffic Agreements. The carrier must report notification of delivery of the shipment to PowerTrack before the payment can be made.

b. For locally paid services, e.g. destination charges, the carrier will bill the appropriate transportation office by creating a stand-alone eBill in PowerTrack. When the eBill is created the carrier must reference the proper account classification (e.g., LOA/TAC) to be sure that the proper entity is billed. Air carriers may include locally paid services as part of the standard EDI transmission to PowerTrack. Carriers will create eBills for any charges not included in the original billing transaction.

4. Accounting Classification Review

a. The Funds Managers will review the PowerTrack Funds Manager Report to confirm whether the LOAs/TACs they manage are being used properly, and to confirm a proper obligation exists. If they determine an LOA/TAC must be changed, they will contact the transportation office responsible for the shipment record. Any errors referred to the transportation office by the Funds Manager will be corrected and documented using the Journal Entry functionality of PowerTrack.

b. If an invalid (i.e. non-existent or improperly used) LOA/TAC is identified, the transportation office will check with whomever requested the shipment to obtain a valid LOA/TAC within 3 government business days.

ATTACHMENT 1

c. The Funds Manager will respond quickly to DFAS payment office inquiries. They will provide necessary data to these offices so the payment office can complete the disbursement process to U.S. Bank.

Business Rules for Accounting Classification Review		
Condition	Rule	
Funds Manager determines that an LOA/TAC is being used improperly	Funds Manager contacts the responsible transportation office.	Transportation office contacts customer that requested shipment, obtains correct TAC/LOA information, makes correction in PowerTrack, and documents change in PowerTrack within 3 GBDs of being contacted by Funds Manager.
		If no TAC/LOA is obtained and shipment is processed, annotate the Monthly Bank Statement with reason TAC/LOA not available. As an interim procedure until the FACTS interface is operational, DFAS will use the default LOA.

5. Carrier Payment Approval

a. Payment Requirements

(1) The Services shall establish maximum dollar amounts for carrier payment approval. Transportation Officers can assign each individual PowerTrack user within an office a different maximum dollar amount for carrier payment approval. If the CBL price on a shipment exceeds a user's maximum, that user will not be able to approve carrier payment. Ensure primary and alternate individuals are designated for various thresholds.

(2) The transportation office will approve payment for the amount that is determined as the government's responsibility to pay. The amount the government is responsible to pay includes the rate for the shipment and any authorized accessorial charges as specified in the contract. Accessorial charges may include, but are not limited to, weekend pickup and delivery, increased liability, address corrections, or extended area of coverage.

(3) The carrier payment process cannot begin until there is confirmation in PowerTrack that services have been performed. The event to confirm that services have been

ATTACHMENT 1

performed will be the receipt of the carrier's notification of delivery. Actual carrier payment will be based on the services provided under the CBL.

b. Automatic Approval of Payment

(1) One of the advantages of PowerTrack is that shipments can be automatically approved for carrier payment if they meet certain criteria. For example, in the matching model where both the transportation office and carrier submit a price, the Transportation Officer can establish a maximum price difference.

(2) In the government invoice and carrier invoice models, the Transportation Officers can establish a maximum automatic approval price threshold. The Services/Agency will set the parameters for automatic approval. Transportation Officers may assign a lower maximum automatic approval dollar amount based upon workload and carrier characteristics.

(3) If a shipment meets the automatic approval price parameters it will be approved for payment without the transportation office needing to review it on-line. If a shipment does not meet the parameters, the transportation office will need to review the shipment data and follow Manual Approval of Payment rules.

ATTACHMENT 1

Business Rules for Surface Automatic Approval of Payment		
Condition		Rule
Matching Model (Shipper and Carrier submit a price)	Price difference <u>is not more than</u> the maximum established by the Transportation Officer	PowerTrack automatically approves and executes payment to the carrier within 3 GBDs of receiving notification of delivery.
	Price difference <u>is more than</u> the maximum established by the Transportation Officer	PowerTrack places the shipment on Hold for manual approval.
	A shipment is delivered after the Required Delivery Date (RDD) and the price is contingent on timely delivery.	Transportation office will adjust price in PowerTrack prior to approval or review reports to identify late shipments that were automatically approved, and will adjust using the eBill process.
Government Invoicing Model Or Carrier Invoicing Model	Price is <u>below</u> the maximum ceiling established by the Transportation Officer	PowerTrack automatically approves and executes payment to the carrier within 3 GBDs of receiving notification of delivery.
	Price is <u>above</u> the maximum ceiling established by the Transportation Officer	PowerTrack places the shipment on Hold for manual approval.
	A shipment is delivered after the Required Delivery Date (RDD) and the price is contingent on timely delivery.	Transportation office will adjust price in PowerTrack prior to approval or review reports to identify late shipments that were automatically approved, and will adjust using the eBill process.

c. Manual Approval of Payment

(1) Any transactions that are not automatically approved must be approved manually. Wherever possible, a separation of duties should be maintained and the person who approves carrier payment should be different from the person who created the CBL.

(2) The transportation office must approve for payment the amount they determine the government is responsible to pay. Any difference between this price and the originally tendered estimate (if higher) will be resolved in an eBill. Any adjustments in the original payment estimate must be documented in the Journal Entry section of PowerTrack for the purposes of invoice certification and post payment examination.

ATTACHMENT 1

(3) For shipments that do not meet the auto approval criteria, and therefore must be approved manually, the transportation office must take one of the following actions within 3 government business days after notification of delivery:

- Approve the payment
- Adjust the price, approve the payment, and record the reason for the adjustment in a journal entry
- Place on hold and request additional information from carrier
- Deny payment and record reason in a Journal Entry

(4) Once a response from a carrier is received on a hold, the transportation office that placed the hold has 3 government business days to approve or deny.

(5) If a shipment is delivered after the required delivery date (RDD), and the price paid is contingent on timely delivery, the transportation office will adjust the price in PowerTrack prior to approval.

(6) Transportation offices will review reports to identify late shipments that were automatically approved for payment. If payment for a late shipment was automatically approved, the transportation office will submit an eBill to request an appropriate adjustment in price.

(7) The transportation office can update a transaction in PowerTrack before U.S. Bank remits payment to the carrier. In those situations where transactions are updated, the transportation office that approved the change must make a journal entry in PowerTrack explaining why the change was made. The following rules apply when updating shipment data prior to remitting payment to the carrier.

- All changes affecting cost must be recorded in PowerTrack either directly or as an update from the shipper system. [Note: PowerTrack currently does not accept updates from shipper systems.]
- After U.S. Bank has paid the Carrier, any changes to price or shipment data must be entered into PowerTrack via the eBill process.

(8) For LTL/TL and Express moves, collect shipments will not be submitted to PowerTrack.

ATTACHMENT 1

Business Rules for Surface Manual Approval of Payment		
Condition	Rule	
Shipment must be manually approved	Transportation office must take one of the following actions within 3 GBDs, and document relevant details in PowerTrack	Approve government submitted price
		Adjust government price, approve, and record reason
		Place shipment payment on Hold and request additional information from the carrier
		Deny payment and record reason
Shipment is placed on Hold and Carrier is sent information request	Carrier payment shall not be made until resolved and approved.	
Transportation office receives response to information request	TO must approve or deny payment within 3 GBDs.	
A shipment is delivered after the Required Delivery Date (RDD) and the price is contingent on timely delivery.	Transportation office will adjust price in PowerTrack prior to approval or review reports to identify late shipments and will adjust using the eBill process.	

6. Carrier Payment

US Bank will not pay the carrier until notification of delivery and transportation office approval are received. U.S. Bank will pay the carrier after the transportation office approves the transaction for payment, removes a transaction from hold status, or resolves an eBill. The carrier payment approval process outlines the actions that transportation offices should use to approve transactions.

7. Accounting

[Note: There are plans for automatic feeds to DFAS for the creation of obligations and the monthly bank statement (MBS). Until the EDI 821/810 is developed and tested for all Services, Funds Managers will manually adjust or post obligations utilizing the information in the Funds Manager Report in PowerTrack.]

a. Obligation: U.S. Bank PowerTrack will generate an EDI 821 Transaction Set for DFAS to record the obligation for the shipper customer.

ATTACHMENT 1

b. Accruals: U.S. Bank PowerTrack will generate an EDI 821 Transaction Set for DFAS to record the accrual for the shipper customer.

c. Actuals: U.S. Bank PowerTrack will generate an EDI 810 Transaction Set for DFAS to record the actual for the shipper customer. The EDI 810 will include both summary (no SDN) and detail LOAs.

8. Monthly Bank Statement (MBS) Certification

a. Procedures for the Prompt Payment Act apply. The responsibilities for certifying officers, accountable officials, and reviewing officials are contained in DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers.

b. The Certifying Officer will print the MBS 2 Government Business Days (GBDs) after the 15th of the month or 2 GBDs following the date when U.S. Bank generates the MBS, whichever occurs later. The Certifying Officer will stamp the availability date on the MBS. The MBS must be accessed through the PowerTrack website and printed out. No hard copy will be mailed to the Certifying Officer.

c. The Certifying Officer should utilize the Funds Manager report to “work ahead” and start researching MBS entries in advance to speed up the certification process. The Funds Manager report can be accessed daily to build next month’s MBS.

- The day following the date of last month’s MBS (typically, the 16th or 17th of the month), run a Funds Manager query for all Carrier payments for the specified transportation office. The result will be in effect that day’s entries for next month’s MBS. Whenever the Funds Manager report is run, ensure that the day following last month’s MBS date is the start point and that the report always is for Carrier payments which are the basis for MBS entries.
- Continuing to run a cumulative query throughout the month will “build” the MBS data ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also provide for eBill adjustments to be submitted more timely.
- When next month’s MBS is accessed through the PowerTrack website, compare the annotated Funds Manager report with the MBS to ensure that the appropriate MBS detail transactions were previously reviewed.

d. The Certifying Officer will review the MBS from U.S. Bank to ensure that it reflects the actual carrier payments. The Certifying Officer will accomplish a prepayment review as required by the DoD Financial Management Regulation (DoDFMR), Volume 5, Chapter 33.

e. The Certifying Officer certifies the MBS as correct and proper for payment. After signing the MBS, it is sent to the DFAS payment center designated for that transportation office.

ATTACHMENT 1

Services may establish review requirements. If so, Certifying Officers may be instructed by their higher headquarters to submit the certified MBS for an administrative review. The higher headquarters will then forward the certified MBS to the proper DFAS payment office.

- One MBS will be created per transportation office.
- Prior to certification of the MBS, the Certifying Officer will review sampled TACs and LOAs to ensure they are appropriate based on supporting automated documentation.
- If the MBS is missing the shipper's appropriation or the appropriation is apparently incorrect; the Certifying Officer will contact the shipper/activity funds manager to resolve the discrepancy in PowerTrack. An entry in the Journal Entry section of PowerTrack will be prepared documenting the actions taken to establish the correct appropriation.
- Designated DFAS payment centers (for addresses go to www.dfas.mil) :
 - Navy DFAS-Norfolk
 - Marine Corps DFAS-Kansas City
 - Army DFAS-Indianapolis
 - Air Force DFAS-OPLOCs that support Air Force
 - DLA DFAS-Columbus

f. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by the 5th GBD following the date the MBS is available. This is to ensure the DFAS payment center has sufficient time to prevalidate the amount owed to U.S. Bank and receive a refund for early payment.

Business Rules for MBS Certification	
Condition	Rule
U.S. Bank makes the Monthly Bank Statement (MBS) available for printing by the Certifying Officer or accountable official in PowerTrack.	Certifying Officer prints out and stamps availability date on MBS.
The Certifying Officer or accountable official utilizes the Funds Manager report to “work ahead” and start researching MBS entries in advance to speed up the certification process.	Run a cumulative query throughout the month to “build” the MBS ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also provide for e-Bill adjustments to be more timely.

ATTACHMENT 1

Business Rules for MBS Certification	
Condition	Rule
Certifying Officer performs prepayment review	Certifying Officer will accomplish a pre-payment review as required by the DoD FMR, Volume 5, Chapter 33.
Certifying Officer discovers overpayment	Certifying Officer effects price adjustment using the eBill process.
Certifying Officer determines the MBS to be correct and proper	Using data from the Funds Manager Report developed during the month, Certifying Officer signs MBS and submits it to proper DFAS-Component for their Service. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by 5 th GBD following the date the MBS is available.

9. Bank Payment

a. The U.S. Bank MBS charges will be summarized by Line of Accounting. The MBS will not include SDN level of detail. Supporting detail is available in PowerTrack.

b. If the DFAS payment office receives a certified MBS with an LOA that fails edit in the entitlement system because of insufficient obligations, DFAS will increase the obligation to the billed value. If the LOA fails the edit because of no obligation, DFAS will either establish an obligation (if the Fund Manager can identify appropriate accounting data) or will assign the current default LOA that applies to that shipper as established by the shipper's headquarters. For example, for DLA shipments use the DLA default LOA. If the LOA fails the edit because of validity, DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the Service/agency default LOA to billed value and notify the Service/Agency HQ POC. DFAS will then process the payment to U.S. Bank. The DFAS payment office will notify the Service/Agency HQ of any obligation increase, the establishment of any obligation, or the use of the default LOA. This action will be in accordance with established DFAS procedures (See Memorandum for Directors, Defense Finance and Accounting Service Centers; Subject: Interim Manual Operating Procedures for Commercial Transportation Purchased Through the USBank PowerTracksm Service, (Section 5.1 Default LOA Assignment Notification), 30 Jun 99.

ATTACHMENT 1

c. When Funds Managers obligate in bulk, prevalidation of the MBS by DFAS is greatly simplified and accomplished rapidly. Where possible, Funds Managers should establish bulk obligations for transportation services so that the accounting will be easier and the likelihood of DOD receiving a refund for rapid payment of MBS to U.S. Bank will be increased.

d. Once the MBS entries have been certified and prevalidated, DFAS will not cash manage the payment since faster payments increase the “file turn refund” received by DOD from U.S. Bank. DFAS will track and distribute appropriation refunds returned to DOD via this process. “File turn” represents the rate of turnover of US Bank’s outstanding Accounts receivable with DOD. When this “file turn” is less than 30 days, US Bank will make a refund back to DOD. In other words, the faster that payments are made to US Bank, the more refund dollars DOD will realize.

Business Rules for Bank Payment	
Condition	Rule
Line of Accounting fails edit in the entitlement system because of insufficient obligation	DFAS will increase obligation to billed value and notify the Service/Agency HQ POC.
Line of Accounting fails edit in the entitlement system because of no obligation	DFAS will either establish an obligation (if the appropriate accounting data can be identified) or will assign the current default Line of Accounting and process the payment to U.S. Bank. DFAS will notify the Service/Agency HQ POC of actions taken.
Line of Accounting fails edit in the entitlement system because of validity	DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the Service/agency default LOA.
DFAS receives certified MBS	Once the certified MBS entries have been prevalidated, DFAS will not cash manage the payment in order to increase the “file turn refund” received by DOD from U.S. Bank. DFAS will track and distribute appropriation refunds returned to DOD via this process.

10. Dispute Resolution

a. The following guidelines will be followed regarding the creation of eBills for resolving under-/overpayments:

ATTACHMENT 1

Business Rules for Dispute Resolution	
Condition	Rule
Carrier makes additional claim before carrier payment is approved	Carrier can request a price adjustment using an electronic journal entry. Submit eBill NOTE: Marine Corps and DLA transportation offices will also accept phone call requests for price adjustment.
Carrier makes additional claim after carrier payment is approved	Submit eBill up to 16 months after payment. After 16 months, go to the appropriate MTMC office to request price change
Transportation office detects overpayment before carrier payment is approved.	Transportation office modifies government submitted price in PowerTrack and enters reason for price adjustment in an electronic journal entry
Transportation office detects overpayment after carrier payment is approved.	Transportation office submits eBill within 60 days. After 60 days, go to MTMC to request price change.

b. The carrier always has the option to go through the appropriate MTMC office to request a price adjustment. However, a billing dispute must first go through the eBill process before requesting a price adjustment from MTMC.

c. Either the transportation office or the carrier can submit an eBill. After the eBill is submitted to PowerTrack, the other party will have three (3) government business days to respond.

(1) The transportation office must take one of the following actions within 3 government business days of receiving an eBill from the carrier:

- Approve payment
- Deny payment (remarks required indicating why payment was denied)
- Hold payment (remarks required: requesting clarification or more information)

(2) The carrier must take one of the following actions within 3 government business days of receiving an eBill from the transportation office:

- Approve for credit
- Deny credit (remarks required indicating why credit was denied)

ATTACHMENT 1

- Hold credit (remarks required requesting clarification or more information)

d. When the transportation office or carrier creates an eBill, they will reference the CBL (or carrier shipment) number or the user will append sequential letters to the CBL (or carrier shipment) number for each eBill created. For example, if the CBL (or carrier shipment) # is MC9912345, the first eBill will be assigned the identifier of MC9912345A, the second eBill will be assigned the identifier of MC9912345B, etc.

e. Price disputes that cannot be resolved between the transportation office and the carrier after 60 days will be forwarded to MTMC for resolution.

f. Any adjustments in the original payment estimate must be documented in a PowerTrack Journal Entry for the purposes of invoice certification and post payment examination.

Business Rules for eBills		
Condition	Rule	
Transportation office receives an eBill	Transportation office must take one of the following actions within 3 GBDs:	Approve payment
		Deny payment
		Hold payment
Carrier receives an eBill	Carrier must take one of the following actions within 3 GBDs:	Approve credit
		Deny credit
		Hold credit

ATTACHMENT 2

Sealift Commercial Carrier Payment Business Rules

A. PURPOSE

This Appendix describes the business rules that govern the Sealift commercial carrier payment process. The rules relate to the timing of transactions, confirmation/validation requirements, exception handling, and other issues that may arise during shipment and payment of Sealift commercial cargo. These business rules are inclusive of both the “invoice” and the “invoiceless” approach to Sealift commercial carrier payment.

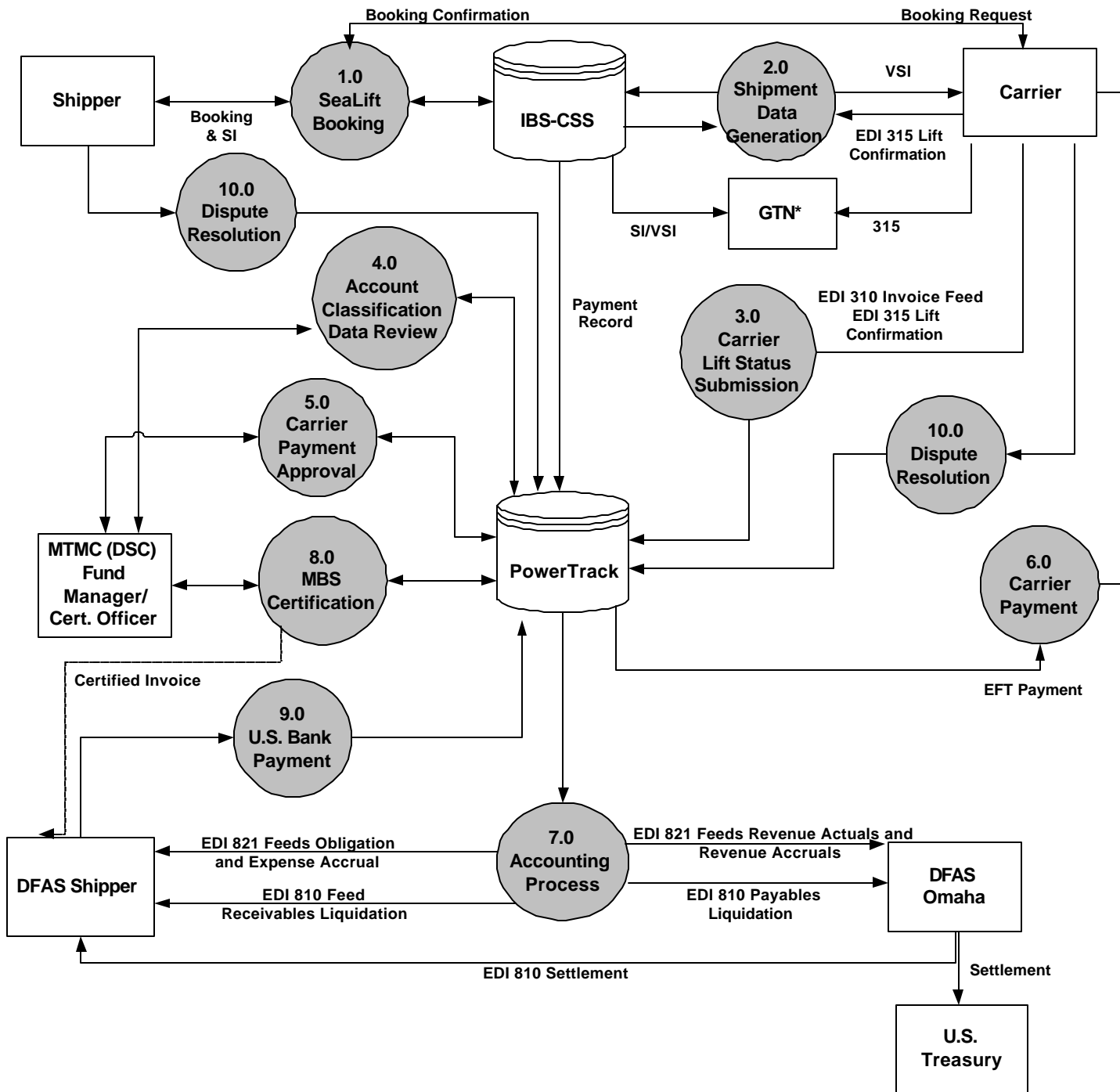
B. SCOPE

The business rules are applicable to the Services and Defense Agencies. The business rules address carrier payments and the associated accounting requirements. The Sealift commercial payment process enables the shipper customer to reimburse MTMC for OCONUS cargo movement. It also enables MTMC to facilitate payment to the carrier for OCONUS cargo movement. Carriers are paid directly by U.S. Bank and U.S. Bank is paid by DFAS.

C. SEALIFT COMMERCIAL CARRIER PAYMENT PROCESS FLOW DIAGRAM

The Sealift commercial payment process flow diagram shown below presents a general representation of the Sealift business process. The numbers in the process flow diagram correspond to the business rule numbers that are described in following paragraphs.

ATTACHMENT 2



SeaLift Commercial Carrier Payment Process

* GTN receives in-transit visibility data from shipper systems, carriers, and other sources involved in the Defense Transportation System (DTS). All GTN interfaces are not reflected in this diagram.

ATTACHMENT 2

D. BUSINESS RULES

The Sealift commercial payment process business rules relate to the 10 primary functions in the payment process:

1. Sealift Booking
2. Shipment Data Generation
3. Carrier Lift Status Submission
4. Accounting Classification Review
5. Carrier Payment Approval
6. Carrier Payment
7. Accounting
8. Monthly Bank Statement (MBS) Certification
9. Bank Payment
10. Dispute Resolution

1. Sealift Booking

The Sealift process begins when the DOD shipper enters a booking request into the Integrated Booking System (IBS) which creates a space reservation for overseas cargo transportation services. Once the ocean carrier confirms a reservation, the confirmed booking is priced out at the TWCF stabilized rate and provided to the shipper as an up-front price estimate. The transportation office ensures that there is a Transportation Account Code (TAC) or Line of Accounting (LOA) on the service request and that a competent authority issued the request. This action also creates an entry in the Funds Manager Report which is accessible to the transportation office, the funds manager, and the Defense Finance and Accounting Service (DFAS). For the purpose of this Appendix, Transportation Control and Movement Document (TCMD) and Shipping Instructions (SI) are interchangeable.

2. Shipment Data Generation

- a. All documentation-based changes will be performed in the source system/IBS-CSS by the organization that created the data except for carrier status transactions (EDI 315). If a change to 315 data is required, MTMC (DSC) will receive the update from the carrier, and will enter it into the IBS-CSS Payment Screen as payment record data.

- b. In the event a 315 is not received by PowerTrack, then, for the prototype only, MTMC (DSC) and the carrier will first concur that the lift has occurred. Then, the carrier will search PowerTrack and IBS-CSS for orphan records. If an orphan record is found, MTMC will be requested to update the record in IBS-CSS to create a new payment feed for PowerTrack. If no orphan records are found, the carrier will submit the correct 315 data to PowerTrack and IBS-CSS.

ATTACHMENT 2

c. Shippers will continue to book and receive carrier confirmation (to include carrier costs) and the Defense Transportation System (DTS) up-front price via IBS. Additionally, they will continue to make required order adjustments in IBS (prior to the time of lift).

d. After a container has been stuffed and prior to container in-gate, the shippers are responsible for generating and submitting Shipping Instructions (SI)/ Transportation Control and Movement Document (TCMD) to IBS-CSS (either directly or via WPS).

e. Carriers have access to the IBS-CSS to view, but not change booking, SI, VSI, and 315 data. MTMC has access to IBS-CSS and can update information.

f. All workload data matching between booking and SI data will be performed and stored in IBS-CSS *prior* to transmitting it as a “priced-out VSI” to PowerTrack. If there is not a match at the field level *for one of the primary data elements*, then the SI will be neither “verified” nor priced out until the discrepancy is reconciled. For the prototype phase, the “primary data elements” will include:

- Port Call File Number (PCFN)
- Port of Embarkation (POE), Port of Debarkation (POD)
- Van type, Van size
- Carrier Code, Consignee Department of Defense Activity Address Code (DODAAC)
- Commodity Code
- Origination terms (TCN character 15) and destination terms (TCN character 16)
- First 14 characters of the TCN
- Number and location of stop-offs

ATTACHMENT 2

Business Rules for Sealift Matching Data Elements		
Condition	Rule	
Workload data matching – primary data elements	Shipper must correct data in IBS-CSS within 3 GBDs after mismatch is flagged. After correction is made, VSI will be generated, priced out, and transmitted to PowerTrack.	Port Call File Number (PCFN)
		Port of Embarkation (POE), Port of Debarkation (POD)
		Van type, Van size
		Carrier Code, Consignee Department of Defense Activity Address Code (DODAAC)
		Commodity Code
		Origination terms (TCN character 15) and destination terms (TCN character 16)
		First 14 characters of the TCN
		Number and location of stop-offs

g. It is possible that additional data elements (e.g. Point of origin/destination, all accessorials, etc.) will be added to this list after an evaluation of the prototype.

h. Corrections to mismatched data are to be reconciled in IBS-CSS within three (3) Government business days from the time the mismatch is flagged. After the correction has been made, the VSI will be generated, priced out, and transmitted to PowerTrack.

i. IBS-CSS will generate and transmit the VSI (not priced) to the carrier via auto-FAX. The priced-out VSI (generated in IBS-CSS) will be transmitted electronically to PowerTrack. This price will be calculated based on the services ordered and the contract under which the service request was booked.

j. Carrier payment will be based on the services provided under the contract in effect at the time lift occurs.

k. In accordance with USC01, the carriers will generate and transmit status transactions (315s) to IBS (via the Department of Defense [DOD] Electronic Data Interchange [EDI] mailbox) for the “Vessel Departure” (VD) event.

l. The carrier is to generate and transmit one 315 transaction to IBS-CSS for each container lifted. They will also transmit 315 data to U.S. Bank for entry into PowerTrack.

m. Upon receipt of the 315 data in IBS, IBS-CSS will match workload data between the VSIs and the 315s. The workload data includes POE, POD, Consignee DODAAC, Consignor DODAAC, Contract Number, Carrier, Van Type, Van Size, Ship Name, Sail Date, Contract Terms, Container Number, and Voyage Number. If there is a data discrepancy *that results in a price change* (from the original priced-out VSI transmitted to PowerTrack), then the VSI will be re-priced and re-transmitted to PowerTrack.

ATTACHMENT 2

n. If carrier payment has not yet been executed via PowerTrack, then the “re-adjusted VSI” will serve as the Government’s expected charges. If payment has been executed (using the original priced-out VSI), then the price variance will be offset via the eBill process.

o. MTMC (DSC) is to ensure that the carrier is provided with a VSI prior to the vessel cut-off date.

3. Carrier Lift Status Submission

a. The carrier will perform services according to the VSI.

b. The carrier may submit the notification of lift via an EDI transaction set. Regardless of the invoice submission option, the carrier is required to submit status transactions (EDI 315s) to confirm lift.

c. The “Bill To” field will contain “US_Bank_PowerTrack” to identify PowerTrack shipments.

4. Accounting Classification Review

a. The MTMC Funds Manager will review the PowerTrack Funds Manager Report to confirm whether the LOAs they manage are being used properly, and to confirm a proper obligation exists. If they determine an LOA/TAC must be changed, they will contact the transportation office responsible for the shipment record. Any errors referred to the transportation office by the Funds Manager will be corrected and documented using the Journal Entry functionality of PowerTrack.

b. If an invalid (i.e. Non-existent or improperly used) LOA/TAC is identified, the MTMC funds manager will check with whomever requested the shipment to obtain a valid LOA/TAC within 3 government business days.

c. The MTMC funds manager will respond quickly to DFAS payment office inquiries. They will provide necessary data to these offices so the payment office can complete the disbursement process to U.S. Bank.

Business Rules for Accounting Classification Data Review	
Condition	Rule
Funds Manager determines that an LOA/TAC is being used improperly	Funds Manager contacts transportation office. Transportation office contacts customer that requested shipment, obtains correct TAC/LOA information, makes correction in PowerTrack, and documents change in PowerTrack within 3 GBDs of being contacted by Funds Manager.

ATTACHMENT 2

5. Carrier Payment Approval

a. Payment Requirements

(1) The carrier payment process can not begin until there is confirmation that services have been performed. The event to confirm that services have been performed will be the receipt of the carrier's status transaction (EDI 315) for the "VD" event. Confirmation of lift must be recorded in PowerTrack before the carrier is paid.

(2) MTMC (DSC) will approve payment for the amount that is determined as the government's responsibility to pay. The amount the government is responsible to pay includes the rate for the shipment and any accessorial charges as specified in the contract.

(3) Carriers will have the option of either submitting an electronic invoice to PowerTrack or not. If the carrier is submitting an invoice (the invoice approach), they will not have the option for manual payment approval (auto-pay only). If the carrier is ***not*** sending an invoice (the invoiceless approach), payment can be executed either automatically or manually, depending on the carrier's preference.

(4) All pricing details by Port Call File Number (PCFN), container, or type of service level will be viewable in PowerTrack via the Internet. Carriers will not have the capability to view the price in IBS-CSS prior to sending an invoice/payment request (or 315 transactions for invoiceless approach) to PowerTrack.

(5) VSI data will always be priced out at the ocean freight, accessorial, and type of service level for transmission to PowerTrack.

- If a priced-out VSI has not been generated by the time the carrier's 315 is received by PowerTrack, MTMC (DSC) will ensure that one is transmitted to PowerTrack within three (3) Government business days from the time the 315 was received in PowerTrack.

(6) If the carrier is submitting an invoice to PowerTrack, they will have the option of transmitting the payment requests at either a homogeneous booking level, at the individual container level, or any combination of the two.

(7) Any post lift charges incurred as a result of detention or diversion will be processed as they are done in the current environment. Otherwise, they will be resolved via the eBill process.

(8) Carrier invoices will separate the charges into the type of service level.

(9) A transaction can be updated in PowerTrack *prior to* remitting payment to the Carrier. PowerTrack will accept and replace transaction sets with the most recently submitted

ATTACHMENT 2

data. In situations where transactions are updated, remarks **must be documented** in PowerTrack for audit purposes.

(10) MTMC (DSC) will review reports to identify late shipments that were automatically approved for payment. If payment for a late shipment was automatically approved, MTMC (DSC) will submit an eBill to request an appropriate adjustment in price.

(11) MTMC (DSC) can update a transaction in PowerTrack before U.S. Bank remits payment to the carrier. PowerTrack will update the transaction file with the most recently submitted data. In those situations where transactions are updated, the transportation office that approved the change must make a journal entry in PowerTrack explaining why the change was made. The following rules apply when updating shipment data prior to remitting payment to the carrier.

- All changes affecting cost must be recorded in PowerTrack either directly or as an update from the shipper system. [Note: PowerTrack currently does not accept updates from shipper systems.]
- After the Carrier has been paid by U.S. Bank, any changes to price or shipment data must be submitted via the eBill process.

Business Rules for Sealift Carrier Payment Requirements	
Condition	Rule
Carrier 315 received in PowerTrack, and there is no priced out VSI	MTMC (DSC) ensures priced out VSI is transmitted to PowerTrack within 3 GBDs
Carrier chooses to submit an invoice to PowerTrack	Carrier will have the option of transmitting the payment requests at either a homogenous booking level, at individual container level, or any combination of the two.
Post-Lift charges are incurred as a result of detention or diversion	Resolved using eBill process

b. **Invoice Approach**

(1) If the carrier has elected to submit an invoice, payment can be executed under the auto-pay approach if the dollar amounts in MTMC's priced-out VSI equals the amount in the carrier's invoice transmission, and if the PCFN, Van Owner, Container Number, and SCAC match as well.

(2) If the priced-out VSIs and the carrier's invoice do **not** match, payment can be made to the carrier at the lower of the two amounts. Then, after payment has been executed, the carrier and MTMC-DSC will resolve the discrepancy, and the resulting offset will be adjusted via the eBill process.

ATTACHMENT 2

(3) The carrier will have the option of establishing a tolerance level with the bank outside of which payment will not be automatic. Rather, the entire transaction will be put on hold, and no payment will be made until resolution is achieved.

(4) For carriers following the invoice approach, they will submit their invoice data (310 is needed if submitting invoice electronically) to PowerTrack after vessel departure. This invoice will have a data element structure agreed to by all participants (Government, carrier, U.S. Bank).

Business Rules for Sealift Carrier Payment – Invoice Approach		
Condition		Rule
Invoice Approach – Carrier submits an invoice. Priced out VSI and carrier's invoice are compared	Data Elements PCFN, Van Owner, Container Number, and SCAC match, prices match exactly	Transaction is approved and payment executed within 3 GBDs
	Data Elements PCFN, Van Owner, Container Number, and SCAC match, prices match within tolerances set by MTMC	Lower price is approved and payment executed within 3 GBDs
	Data Elements match, prices vary by more than tolerances set by MTMC	Transaction placed on Hold. No payment made until resolution is achieved.

c. **Invoiceless Approach**

(1) If the carrier sends only a status transaction (315) to PowerTrack (no invoice), PowerTrack will automatically generate a payment transaction when the carrier's 315 enters PowerTrack and there is a match between the 315 and MTMC's priced-out VSI. This matching is done at the PCFN-container level, and will match PCFN, Van Owner, Container Number, and SCAC.

(2) Under the auto-pay approach, the transactions will be automatically executed upon matching of the PCFN, Container Number and SCAC.

(3) Under the manual pay approach, the carrier **must** take one of the following actions within 3 Government business days (GBDs) after notification of lift:

- Accept the payment
- Dispute the payment
- Place on hold until MTMC and the carrier resolve the discrepancy.

ATTACHMENT 2

Business Rules for Sealift Carrier Payment – Invoiceless Approach		
Condition		Rule
Invoiceless Approach – Carrier does not submit an invoice. Priced out VSI and carrier's 315 are compared at container level	AutoPay – Data Elements PCFN, Van Owner, Container Number, and SCAC match.	Transaction is approved and payment executed within 3 GBDs
	Manual Pay - Data Elements PCFN, Van Owner, Container Number, and SCAC match. Carrier must take one of the following actions within 3 GBDs:	Accept payment
		Dispute payment
		Place on Hold until MTMC and the carrier resolve the discrepancy
	If carrier does not respond within 3 GBDs.	Payment is automatically executed. Adjustments made using eBill process

6. Carrier Payment

U.S. Bank will not pay the carrier until notification of lift (315) occurs. After receiving the lift notification, PowerTrack will attempt to match the 315 data (and 310 in the Invoice Approach) with the priced-out VSI from CSS. If there is a match, the transaction will be automatically approved, and a payment will be executed from the bank to the carrier within 3 GBDs. If there are discrepancies and MTMC-DSC action is required, U.S. Bank will pay the carrier within 3 GBDs from either 1) transaction approval, or 2) transaction resolution via an eBill.

7. Accounting

a. Obligation and Budgetary Resources

- Obligation and Budgetary Resources are established at the time of booking/EDI 858 transaction set in PowerTrack. This is triggered by a priced out VSI.
- Upon receipt of the TCMD/SI electronic file, as priced by the agency/Services' source system, U.S. Bank PowerTrack will generate an EDI 821 transaction set for the DFAS customer OPLOC to establish an obligation. An identical copy of the EDI 821 transaction set will be sent to the DFAS Omaha office for recording the receipt of the budgetary resources required to fund performance of the transportation service.

b. Expense and Revenue Accruals

- Expense and revenue accruals are established at the time billing substantiation from lift status (EDI 315) from the carrier is received by U.S. Bank PowerTrack.

ATTACHMENT 2

- Upon receipt of lift confirmation, U.S. Bank PowerTrack will generate an EDI 821 transaction set for each lift. This price confirmed transaction will be provided to the DFAS activity that services the customer for offsetting the obligations and recording the expense accruals on the customer's accounting records. An identical copy of the same transaction (EDI 821) that was sent to the DFAS customer OPLOC activity for establishment of expense accrual, will be sent to DFAS Omaha for the validation of revenue already recorded.

c. Expense and Revenue Actuals

Expense and revenue actuals are established at the time settlement data is received at DFAS.

- Prototype - U.S. Bank PowerTrack will generate a manual detail and summary report (equivalent of an EDI 810 transaction set) for the DFAS customer OPLOC and DFAS Omaha to record expenses and revenue actuals. This report will be available on-line. (Per Interim DFAS Procedures).
- Long Term - U.S. Bank PowerTrack will generate summary and detail report (EDI 810 Transaction set) for the DFAS Customer and DFAS Omaha to recognize expenses and revenue actuals.

For all approved transactions and/or aging (over 48 hrs) undisputed transactions, U.S. Bank PowerTrack will generate a summary EDI 810 transaction set to DFAS for settlement through Treasury on a daily basis. An identical copy of the summary EDI 810 transactions set, along with details that support the summary transaction will be provided to the DFAS customer OPLOC and DFAS Omaha. Settled EDI 810 transaction sets will be reconciled to the details received from U.S. Bank PowerTrack. Disbursements and collections will be recorded based upon details accompanying the summary EDI 810.

ATTACHMENT 2

Business Rules for Accounting Process	
Condition	Rule
Priced out VSI triggers booking/858 transaction set in PowerTrack	Obligation and budgetary resources are established
PowerTrack receives TCMD/SI electronic file	PowerTrack generates an EDI 821 transaction set for DFAS customer OPLOC to establish obligation.
	PowerTrack sends identical report to DFAS-Omaha
PowerTrack receives Notification of Lift (EDI 315)	Expense and Revenue Accruals are established
	PowerTrack will generate a report (equivalent of EDI 821 transaction set) for the DFAS activity that services that customer. It will be used for offsetting the obligations and recording the expense accruals on the customer's accounting records
	PowerTrack sends identical copy to DFAS-Omaha for the validation of the revenue already recorded
DFAS receives settlement data	Expense and Revenue Actuals are established
	Prototype – PowerTrack will generate a manual detail and summary report (equivalent to EDI 810 transaction set) for the DFAS customer OPLOC and DFAS-Omaha to record expense and revenue actuals
	Long-term – PowerTrack will generate summary and detail report (EDI 810 transaction set) for the customer's DFAS activity and TCC to recognize expenses and revenue actuals

8. Monthly Bank Statement (MBS) Certification

a. Procedures for the Prompt Payment Act apply. The responsibilities for certifying officers, accountable officials, and reviewing officials are contained in DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers.

b. The Certifying Officer will print the MBS 2 Government Business Days (GBDs) after the 15th of the month or 2 GBDs following the date when U.S. Bank generates the MBS, whichever occurs later. The Certifying Officer will stamp the availability date on the MBS. The MBS must be accessed through the PowerTrack website and printed out. No hard copy will be mailed to the Certifying Officer.

ATTACHMENT 2

c. The Certifying Officer should utilize the Funds Manager report to “work ahead” and start researching MBS entries in advance to speed up the certification process. The Funds Manager report can be accessed daily to build next month’s MBS.

- The day following the date of last month’s MBS (typically, the 16th or 17th of the month), run a Funds Manager query for all Carrier payments for the specified transportation office. The result will be in effect that day’s entries for next month’s MBS. Whenever the Funds Manager report is run, ensure that the day following last month’s MBS date is the start point and that the report always is for Carrier payments which are the basis for MBS entries.
- Continuing to run a cumulative query throughout the month will “build” the MBS data ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also provide for eBill adjustments to be submitted more timely.
- When next month’s MBS is accessed through the PowerTrack website, compare the annotated Funds Manager report with the MBS to ensure that the appropriate MBS detail transactions were previously reviewed.

d. The Certifying Officer will review the MBS from U.S. Bank to ensure that it reflects the actual carrier payments. The Certifying Officer will accomplish a prepayment review as required by the DOD Financial Management Regulation (DODFMR), Volume 5, Chapter 33.

e. The Certifying Officer certifies the MBS as correct and proper for payment. After signing the MBS, it is sent to the DFAS payment center designated for that transportation office. Services may establish review requirements. If so, Certifying Officers may be instructed by their higher headquarters to submit the certified MBS for an administrative review. The higher headquarters will then forward the certified MBS to the proper DFAS payment office.

- One MBS will be created per transportation office.
- Prior to certification of the MBS, the Certifying Officer will review sampled TACs and LOAs to ensure they are appropriate based on supporting automated documentation.
- If the MBS is missing the shipper’s appropriation or the appropriation is apparently incorrect; the Certifying Officer will contact the shipper/activity funds manager to resolve the discrepancy in PowerTrack. An entry in the Journal Entry section of PowerTrack will be prepared documenting the actions taken to establish the correct appropriation.

ATTACHMENT 2

- Designated DFAS payment centers (for addresses go to www.dfas.mil) :
 - Navy DFAS-Norfolk
 - Marine Corps DFAS-Kansas City
 - Army DFAS-Indianapolis
 - Air Force DFAS-OPLOCs that support Air Force
 - DLA DFAS-Columbus

a. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by the 5th GBD following the date the MBS is available. This is to ensure the DFAS payment center has sufficient time to prevalidate the amount owed to U.S. Bank and receive a refund for early payment.

Business Rules for MBS Certification	
Condition	Rule
U.S. Bank makes the Monthly Bank Statement (MBS) available for printing by the Certifying Officer or accountable official in PowerTrack.	Certifying Officer prints out and stamps availability date on MBS.
The Certifying Officer or accountable official utilizes the Funds Manager report to “work ahead” and start researching MBS entries in advance to speed up the certification process.	Run a cumulative query throughout the month to “build” the MBS ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also provide for e-Bill adjustments to be more timely.
Certifying Officer performs prepayment review	Certifying Officer will accomplish a pre-payment review as required by the DOD FMR, Volume 5, Chapter 33.
Certifying Officer discovers overpayment	Certifying Officer effects price adjustment using the eBill process.
Certifying Officer determines the MBS to be correct and proper	Using data from the Funds Manager Report developed during the month, Certifying Officer signs MBS and submits it to proper DFAS-Component for their Service. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by 5 th GBD following the date the MBS is available.

ATTACHMENT 2

9. Bank Payment

a. The U.S. Bank MBS charges will be summarized by Line of Accounting. The MBS will not include SDN level of detail. Supporting detail is available in PowerTrack.

b. If the DFAS payment office receives a certified MBS with an LOA that fails edit in the entitlement system because of insufficient obligations, DFAS will increase the obligation to the billed value. If the LOA fails the edit because of no obligation, DFAS will either establish an obligation (if the Fund Manager can identify appropriate accounting data) or will assign the current default LOA that applies to that shipper as established by the shipper's headquarters. For example, for DLA shipments use the DLA default LOA. If the LOA fails the edit because of validity, DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the Service/agency default LOA to billed value and notify the Service/Agency HQ POC. DFAS will then process the payment to U.S. Bank. The DFAS payment office will notify the Service/Agency HQ of any obligation increase, the establishment of any obligation, or the use of the default LOA. This action will be in accordance with established DFAS procedures (See Memorandum for Directors, Defense Finance and Accounting Service Centers; Subject: Interim Manual Operating Procedures for Commercial Transportation Purchased Through the USBank PowerTracksm Service, (Section 5.1 Default LOA Assignment Notification), 30 Jun 99.

c. When Funds Managers obligate in bulk, prevalidation of the MBS by DFAS is greatly simplified and accomplished rapidly. Where possible, Funds Managers should establish bulk obligations for transportation services so that the accounting will be easier and the likelihood of DOD receiving a refund for rapid payment of MBS to U.S. Bank will be increased.

d. Once the MBS entries have been certified and prevalidated, DFAS will not cash manage the payment since faster payments increase the "file turn refund" received by DOD from U.S. Bank. DFAS will track and distribute appropriation refunds returned to DOD via this process. "File turn" represents the rate of turnover of US Bank's outstanding Accounts receivable with DOD. When this "file turn" is less than 30 days, US Bank will make a refund back to DOD. In other words, the faster that payments are made to US Bank, the more refund dollars DOD will realize.

ATTACHMENT 2

Business Rules for Bank Payment	
Condition	Rule
Line of Accounting fails edit in the entitlement system because of insufficient obligation	DFAS will increase obligation to billed value and notify the Service/Agency HQ POC.
Line of Accounting fails edit in the entitlement system because of no obligation	DFAS will either establish an obligation (if the appropriate accounting data can be identified) or will assign the current default Line of Accounting and process the payment to U.S. Bank. DFAS will notify the Service/Agency HQ POC of actions taken.
Line of Accounting fails edit in the entitlement system because of validity	DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the Service/agency default LOA.
DFAS receives certified MBS	Once the certified MBS entries have been prevalidated, DFAS will not cash manage the payment in order to increase the “file turn refund” received by DOD from U.S. Bank. DFAS will track and distribute appropriation refunds returned to DOD via this process.

10. Dispute Resolution

a. The following guidelines will be followed regarding the creation of eBills for resolving under-/overpayments:

Business Rules for Sealift Dispute Resolution	
Condition	Rule
Carrier makes additional claim before carrier payment is approved	Carrier can request a price adjustment using an electronic journal entry. Submit eBill NOTE: DLA transportation offices will also accept phone call requests for price adjustment.
Carrier makes additional claim after carrier payment is approved	Submit eBill up to 16 months after payment. After 16 months, go to the appropriate MTMC office to request price change
Transportation office detects overpayment before carrier payment is approved.	Transportation office modifies government submitted price in PowerTrack and enters reason for price adjustment in an electronic journal entry

ATTACHMENT 2

Transportation office detects overpayment after carrier payment is approved.	Transportation office submits eBill within 60 days. After 60 days, go to MTMC to request price change.
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b. The carrier always has the option to go through the appropriate MTMC office to request a price adjustment. However, a billing dispute must first go through the eBill process before requesting a price adjustment from MTMC. Any adjustments in the original payment estimate must be documented in a PowerTrack Journal Entry for the purposes of invoice certification and post payment examination.

c. In the event that a data update results in a price change after a transaction has been approved for payment, yet prior to execution of the transaction (invoiceless manual payment approach), the transaction will not be executed. MTMC and the carrier will be notified in an exception report. They will then need to reconcile the discrepancy and re-approve the transaction.

d. Once resolution is achieved, the transaction or data will then be correctly updated in both PowerTrack and the source system. Remarks will also be made in PowerTrack for audit control purposes.¹ Payment will then be remitted to the carrier via EFT. *(Rules governing EFT payment will be finalized with each carrier individually by U.S. Bank)*

e. Either MTMC (DSC) or the carrier can submit an eBill. After the eBill is submitted to PowerTrack, the other party will have 3 GBDs to respond to an eBill.

- The transportation office must take one of the following actions within 3 government business days of receiving an eBill from the carrier:
 - (1) Approve payment
 - (2) Deny payment (remarks required indicating why payment was denied)
 - (3) Hold payment (remarks required: requesting clarification or more information)
- The carrier must take one of the following actions within 3 government business days of receiving an eBill from the transportation office:
 - (1) Approve for credit
 - (2) Deny credit (remarks required indicating why credit was denied)

¹ If the error pertains to the 315, then the carrier will make the correction and remarks in PowerTrack. If the error pertains to either booking or SI/VSI data, then MTMC-DSC will make the correction in IBS-CSS. IBS-CSS will then re-price and send the updated transaction to PowerTrack.

ATTACHMENT 2

(3) Hold credit (remarks required requesting clarification or more information)

- Once a response is received as “on hold”, the party that placed the “hold” has 3 government business days to approve or deny the eBill.

f. When MTMC (DSC) or carrier creates an eBill, they will reference the Bill of Lading (BoL) number or the user will append sequential letters to the BoL number for each eBill created. For example, if the BoL # is MC9912345, the first eBill will be assigned the identifier of MC9912345A, the second eBill will be assigned the identifier of MC9912345B, etc.

g. Price disputes that cannot be resolved between MTMC (DSC) and the carrier after 60 days will be forwarded to the MTMC Contracting Officer for resolution.

h. If an eBill is disputed, the transaction will **not** be executed until resolution is obtained.

Business Rules for eBills		
Condition	Rule	
MTMC (DSC) receives an eBill	MTMC (DSC) must take one of the following actions within 3 GBDs:	Approve payment
		Deny payment
		Hold payment
Carrier receives an eBill	Carrier must take one of the following actions within 3 GBDs:	Approve credit
		Deny credit
		Hold credit

ATTACHMENT 3

Commercial Air Lines of Communication (COMALOC) Payment Business Rules

A. PURPOSE

This Appendix describes the business rules that govern the Commercial Air Lines of Communication (COMALOC) payment process. COMALOC shipments are the Category “A” cargo pallets moved from Defense Logistics Agency’ depots to overseas ports by commercial carriers under contract to the Air Mobility Command. The rules relate to the timing of transactions, confirmation/validation requirements, exception handling, and other issues that may arise during shipment and payment of COMALOC cargo using the U.S. Bank PowerTrack system.

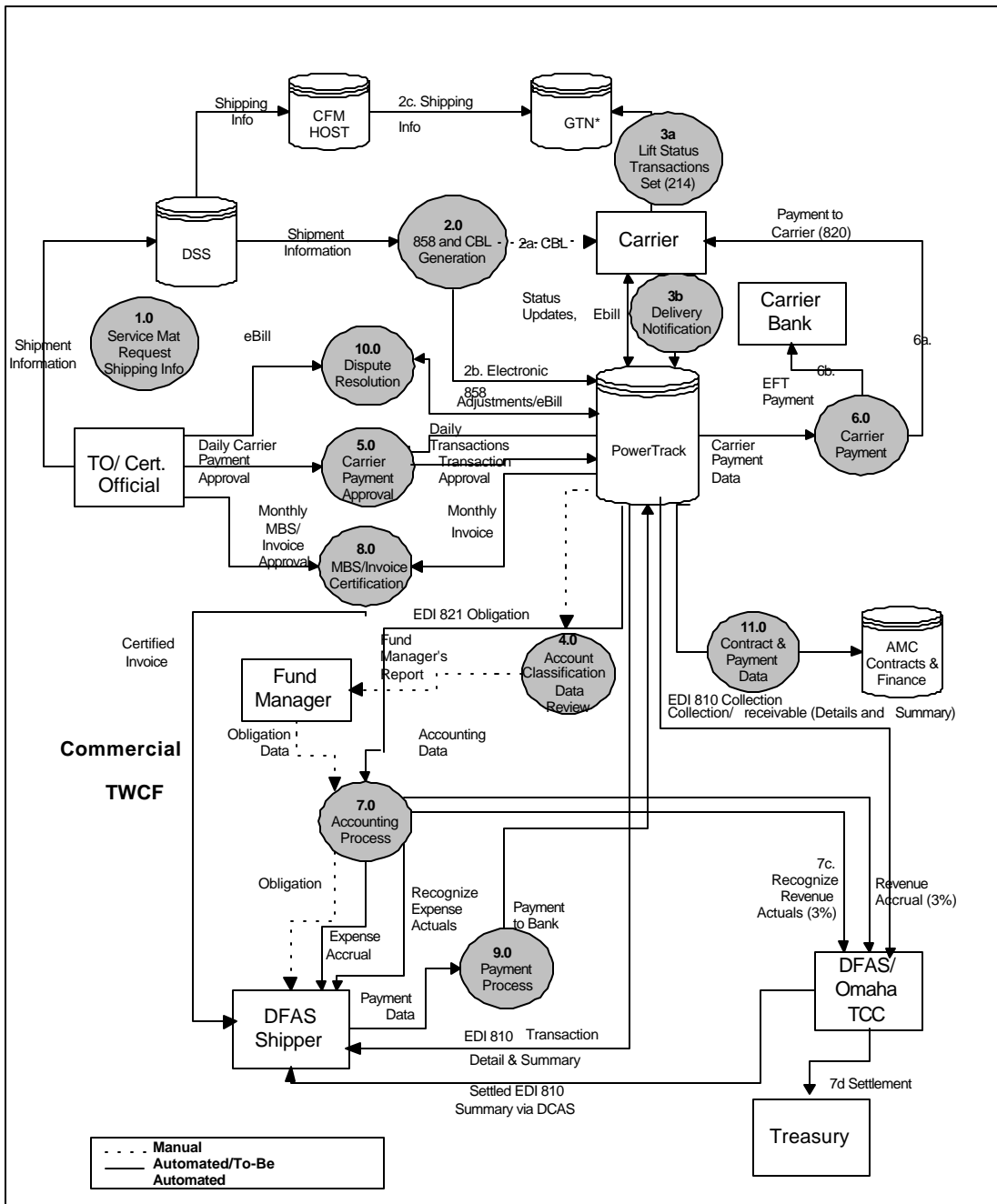
B. SCOPE

The business rules are applicable to COMALOC shipments only. The business rules address the COMALOC commercial carrier payment process and the associated accounting requirements. The COMALOC commercial payment process enables DFAS to reimburse U.S. Bank for carrier payments. It also enables DFAS to bill the shipper customer for cargo movement services and a contract administration fee. The Self/Government-Invoicing Model and the Matching Model will be used to approve COMALOC payments.

C. AIRLIFT COMMERCIAL CARRIER PAYMENT PROCESS FLOW DIAGRAM

The COMALOC payment process flow diagram shown below presents a general representation of the COMALOC business process. The numbers in the process flow diagram correspond to the business rule numbers that are described in following paragraphs.

ATTACHMENT 3



COMALOC PAYMENT PROCESS FLOW DIAGRAM

* GTN receives in-transit visibility data from shipper systems, carriers, and other sources involved in the Defense Transportation System (DTS). All GTN interfaces are not reflected in this diagram.

ATTACHMENT 3

D. BUSINESS RULES

The Airlift commercial payment process business rules relate to the 11 primary functions in the COMALOC payment process:

1. Service Materiel Request
2. Shipment Data Generation
3. Carrier Lift Status Submission
4. Accounting Classification Review
5. Carrier Payment Approval
6. Carrier Payment
7. Accounting
8. Monthly Bank Statement (MBS) and Invoice Certification
9. Bank Payment
10. Dispute Resolution
11. Contract and Payment Data

1. Service Materiel Request

The materiel movement process begins when the DLA Consolidated and Containerization Points (CCP) receives materiel from a designated shipping site. Upon receipt of the materiel requisition, the DLA CCP transportation office will initiate the movement process by entering the shipment information into DSS. The transportation office ensures that there is a TAC or LOA on the service request and that competent authority issued the request.

2. Shipment Data Generation

- a. The COMALOC shipments will be manifested and picked up at a DLA CCP and moved to an overseas port by an Airlift commercial carrier.

- b. The shipment data (858 transaction set – including contract and sub-CLIN information) must be transmitted to PowerTrack, using the Shipper System (DSS), within 24 hours after the cargo has been picked up. When Commercial Bills of Lading (CBLs) are created manually due to system non-availability, the transportation office will subsequently enter the data into the shipper system.

- c. The transportation office will use the shipping site's DODAAC to identify the site on the CBL. If the wrong identifier is used, the shipment will not be assigned to the correct PowerTrack account.

- d. The transportation office will enter the carrier's Standard Carrier Alpha Code (SCAC) in the shipper system. The SCAC will be used by PowerTrack to identify the carrier moving the shipment.

ATTACHMENT 3

e. The “Bill To” field will contain “US_Bank_PowerTrack” to identify PowerTrack shipments.

3. Carrier Lift Status Submission

a. The Carrier will perform services according to the shipping instructions as specified in the contract.

b. The Carrier must report notification of delivery of the shipment to PowerTrack before the payment can be made.

c. The Carrier may submit the notification of delivery via an EDI transaction set, through PowerTrack’s Web interface, or by telephone.

4. Accounting Classification Review

a. The DDC Funds Manager will review the PowerTrack Funds Manager Report to confirm whether the LOAs they manage are being used properly, and to confirm a proper obligation exists. If they determine an LOA/TAC must be changed (i.e., non-existent or improperly used), they will contact the transportation office responsible for the shipment record. Any errors referred to the transportation office by the Funds Manager will be corrected and documented using the Journal Entry functionality of PowerTrack TAC within 3 government business days (GBDs. If an invalid LOA/TAC is identified, the DDC Funds Manager will check with the shipper to obtain a valid LOA/TAC within 3 GBDs.

b. If the shipper takes no action, an automatic payment transaction will be processed on the third GBD using the default LOA for that customer.

Business Rules for Accounting Classification Review	
Condition	Rule
Funds Manager determines that an LOA/TAC is being used improperly	Funds Manager contacts transportation office. Transportation office contacts customer that requested shipment, obtains correct TAC/LOA information, makes correction in PowerTrack, and documents change in PowerTrack within 3 GBDs of being contacted by Funds Manager.

ATTACHMENT 3

5. Carrier Payment Approval

The DDC Funds Manager will set the maximum dollar amount of a shipment that can be approved by individuals in the transportation office. Individuals may be assigned a maximum approval dollar amount based upon workload and carrier performance characteristics. If the CBL price on a shipment exceeds a user's maximum, that user will not be able to approve carrier payment.

a. Payment Requirements

(1) The carrier payment process cannot begin until there is confirmation in PowerTrack that services have been performed. The event to confirm that services have been performed will be the receipt of the carrier's notification of delivery. Actual carrier payment will be based on the services provided under the CBL.

(2) Wherever possible, a separation of duties should be maintained and the person who approves carrier payment should be different from the person who created the CBL.

b. Manual Approval of Payment Requirements

(1) The transportation office must approve for payment the amount they determine the government is responsible to pay. Any difference between this price and the carrier submitted price (if higher) will be resolved in an eBill. Any adjustments in the original payment estimate must be documented in the Journal Entry section of PowerTrack for the purposes of invoice certification and post payment examination.

(2) The transportation office must do one of the following not later than 3 government business days (GBDs) after notification of delivery:

- Approve the payment.
- Adjust the price, approve the payment, and record the reason for the adjustment in a journal entry.
- If an eBill is not appropriate, place on hold and request additional information from carrier
- Deny payment and record reason in a Journal Entry

(3) Once a response from a carrier is received on a hold, the transportation office that placed the hold has 3 government business days to approve or deny payment.

(4) The transportation office can update a transaction in PowerTrack before U.S. Bank remits payment to the carrier. In those situations where transactions are updated, the

ATTACHMENT 3

transportation office that approved the change must make a journal entry in PowerTrack explaining why the change was made. The following rules apply when updating shipment data prior to remitting payment to the carrier.

- All changes affecting cost must be recorded in PowerTrack either directly or as an update from the shipper system. [Note: PowerTrack currently does not accept updates from shipper systems.]
- After the Carrier has been paid by U.S. Bank, any changes to price or shipment data must be entered into PowerTrack via the eBill process.

Business Rules for Manual Carrier Payment Approval		
Condition	Rule	
Shipment must be approved Manually	Transportation office must take one of the following actions within 3 GBDs, and document relevant details in PowerTrack	Approve government submitted price
		Adjust government price and approve
		Place shipment payment on Hold and request additional information from the carrier
		Deny payment
Shipment is placed on Hold and Carrier is sent information request	Carrier payment shall not be made until resolved and approved.	
Transportation office receives response to information request	TO must approve or deny payment within 3 GBDs.	

c. Automatic Approval of Payments

(1) In the Automatic Approval Model, matching criteria, parameters, and tolerances can be established in the requirements for payment approval.

ATTACHMENT 3

Business Rules for Automatic Approval of Payment		
Condition		Rule
Matching Model (Shipper and Carrier submit a price)	Price difference <u>is not more than</u> the maximum established by the Transportation Officer	PowerTrack automatically approves and executes payment to the carrier within 3 GBDs of receiving notification of delivery.
	Price difference <u>is more than</u> the maximum established by the Transportation Officer	PowerTrack places the shipment on Hold for manual approval.
Government Invoicing Model Or Carrier Invoicing Model	Price is <u>below</u> the maximum ceiling established by the Transportation Officer	PowerTrack automatically approves and executes payment to the carrier within 3 GBDs of receiving notification of delivery.
	Price is <u>above</u> the maximum ceiling established by the Transportation Officer	PowerTrack places the shipment on Hold for manual approval.

6. Carrier Payment

US Bank will not pay the carrier until notification of delivery and transportation office approval is received. The carrier payment approval process outlines the actions that transportation offices should use to approve transactions. U.S. Bank will pay the carrier after approval by the Transportation Office (manual or automatic approval NLT 3 GBD after Notification of Delivery by the carrier).

7. Accounting

a. US Bank will compute the contract administration fee based on 3 percent of the payments made to the carriers. The administrative fee will be computed as payments are made to the carriers and will be made available to DFAS Omaha on a monthly basis. The 3 percent contract administration fee transaction will be automatically processed like other TWCF accounting transactions. DFAS Omaha will send a 1080 monthly summary transaction of the 3 percent payment to the DFAS customer OPLOC via DCAS to adjust the account balances and make the settlement with the U.S. Treasury. Note: Approved EDI transactions (both airlift cost and administration fee) and eBill data will then be forwarded to DFAS to support the following:

b. Obligation and Budgetary Resources

(1) Shipper Funds Manager Responsibilities

- Ensure obligations for shipments are properly posted and the LOAs are valid and appropriate for shipments using that activity's funds.

ATTACHMENT 3

- Review the PowerTrack Fund Managers Report and ensure obligations are recorded in the official accounting system that supports the Fund Manager.
- Notify transportation officers and customers if LOAs and TACs are used incorrectly.

c. Upon receipt of the shipment data (858 transaction set) from DSS, PowerTrack will generate an EDI 821 transaction set for the DFAS customer OPLOC to establish an obligation. An identical copy of the 821 EDI transaction will be sent to the DFAS Omaha office for recording the receipt of the budgetary resources required to fund performance of the transportation service.

d. Expense and Revenue Accruals

- Expense and revenue accruals are established at the time billing substantiation from DSS is received by U.S. Bank PowerTrack.
- Upon receipt of billing substantiation, U.S. Bank PowerTrack will generate an EDI 821 transaction set for each individual service request. This price confirmed transaction would be provided to the DFAS customer OPLOC for offsetting the obligations and recording the expense accruals on the customer's accounting records. An identical copy of the same transaction will be sent to DFAS Omaha for the validation of revenue already recorded.

e. Expense and Revenue Actuals

(1) Expense and revenue actuals are established at the time settlement data is received at DFAS.

- Prototype - U.S. Bank PowerTrack will generate a manual detail and summary report (equivalent of an EDI 810 transaction set) for the DFAS customer OPLOC and DFAS Omaha to record expenses and revenue actuals. This report will be available on-line. (Per Interim DFAS Procedures).
- Long Term - U.S. Bank PowerTrack will generate summary and detail report (EDI 810 Transaction set) for the customer's DFAS activity and TCC to recognize expenses and revenue actuals.

(2) For all approved and/or aged (over 48 hrs) undisputed transactions, U.S. Bank PowerTrack will generate a daily summary EDI 810 transaction set to DFAS for settlement through Treasury. An identical copy of the summary EDI 810 transactions set, along with details that support the summary transaction will be provided to the DFAS customer OPLOC and DFAS Omaha. Settled EDI 810 transaction sets will be reconciled to the details received from U.S. Bank PowerTrack. Disbursements and collections will be recorded based upon details accompanying the summary EDI 810.

ATTACHMENT 3

Business Rules for Airlift Commercial Carrier Accounting Process	
Condition	Rule
PowerTrack receives shipment data 858 transaction set	PowerTrack generates EDI 821 transaction set for the DFAS customer OPLOC to establish an obligation.
	PowerTrack sends an identical copy of the report to DFAS-Omaha for recording receipt of the budgetary resources
PowerTrack receives billing substantiation from DSS	Expense and revenue accruals are established
	PowerTrack generates EDI 821 transaction set for the DFAS customer OPLOC for offsetting the obligations and recording the expense accruals on the customer's accounting records.
	PowerTrack sends an identical copy of the report to DFAS-Omaha for the validation of revenue already recorded
DFAS receives settlement data	Expense and Revenue Actuals are established
	Prototype – PowerTrack will generate a manual detail and summary report (equivalent to EDI 810 transaction set) for the DFAS customer OPLOC and DFAS-Omaha to record expense and revenue actuals
	Long-term – PowerTrack will generate summary and detail report (EDI 810 transaction set) for the customer's DFAS activity and TCC to recognize expenses and revenue actuals

8. Monthly Bank Statement (MBS) Certification

a. Procedures for the Prompt Payment Act apply. The responsibilities for certifying officers, accountable officials, and reviewing officials are contained in DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers.

b. The Certifying Officer will print the MBS 2 Government Business Days (GBDs) after the 15th of the month or 2 GBDs following the date when U.S. Bank generates the MBS, whichever occurs later. The Certifying Officer will stamp the availability date on the MBS. The MBS must be accessed through the PowerTrack website and printed out. No hard copy will be mailed to the Certifying Officer.

ATTACHMENT 3

c. The Certifying Officer should utilize the Funds Manager report to “work ahead” and start researching MBS entries in advance to speed up the certification process. The Funds Manager report can be accessed daily to build next month’s MBS.

- The day following the date of last month’s MBS (typically, the 16th or 17th of the month), run a Funds Manager query for all Carrier payments for the specified transportation office. The result will be in effect that day’s entries for next month’s MBS. Whenever the Funds Manager report is run, ensure that the day following last month’s MBS date is the start point and that the report always is for Carrier payments which are the basis for MBS entries.
- Continuing to run a cumulative query throughout the month will “build” the MBS data ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also provide for eBill adjustments to be submitted more timely.
- When next month’s MBS is accessed through the PowerTrack website, compare the annotated Funds Manager report with the MBS to ensure that the appropriate MBS detail transactions were previously reviewed.

d. The Certifying Officer will review the MBS from U.S. Bank to ensure that it reflects the actual carrier payments. The Certifying Officer will accomplish a prepayment review as required by the DoD Financial Management Regulation (DODFMR), Volume 5, Chapter 33.

e. The Certifying Officer certifies the MBS as correct and proper for payment. After signing the MBS, it is sent to the DFAS payment center designated for that transportation office. Services may establish review requirements. If so, Certifying Officers may be instructed by their higher headquarters to submit the certified MBS for an administrative review. The higher headquarters will then forward the certified MBS to the proper DFAS payment office.

- One MBS will be created per transportation office.
- Prior to certification of the MBS, the Certifying Officer will review sampled TACs and LOAs to ensure they are appropriate based on supporting automated documentation.
- If the MBS is missing the shipper’s appropriation or the appropriation is apparently incorrect; the Certifying Officer will contact the shipper/activity funds manager to resolve the discrepancy in PowerTrack. An entry in the Journal Entry section of PowerTrack will be prepared documenting the actions taken to establish the correct appropriation.

ATTACHMENT 3

- Designated DFAS payment centers (for addresses go to www.dfas.mil) :

- Navy DFAS-Norfolk
- Marine Corps DFAS-Kansas City
- Army DFAS-Indianapolis
- Air Force DFAS-OPLOCs that support Air Force
- DLA DFAS-Columbus

f. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by the 5th GBD following the date the MBS is available. This is to ensure the DFAS payment center has sufficient time to prevalidate the amount owed to U.S. Bank and receive a refund for early payment.

Business Rules for MBS Certification	
Condition	Rule
U.S. Bank makes the Monthly Bank Statement (MBS) available for printing by the Certifying Officer or accountable official in PowerTrack.	Certifying Officer prints out and stamps availability date on MBS.
The Certifying Officer or accountable official utilizes the Funds Manager report to “work ahead” and start researching MBS entries in advance to speed up the certification process.	Run a cumulative query throughout the month to “build” the MBS ahead of time and allow certification reviews to be made daily. This will spread out the certification workload throughout the month. This would also provide for e-Bill adjustments to be more timely.
Certifying Officer performs prepayment review	Certifying Officer will accomplish a pre-payment review as required by the DoD FMR, Volume 5, Chapter 33.
Certifying Officer discovers overpayment	Certifying Officer effects price adjustment using the eBill process.
Certifying Officer determines the MBS to be correct and proper	Using data from the Funds Manager Report developed during the month, Certifying Officer signs MBS and submits it to proper DFAS-Component for their Service. The MBS must be certified by the Certifying Officer and received by the designated DFAS payment center by 5 th GBD following the date the MBS is available.

ATTACHMENT 3

9. Bank Payment

a. The U.S. Bank MBS charges will be summarized by Line of Accounting. The MBS will not include SDN level of detail. Supporting detail is available in PowerTrack.

b. If the DFAS payment office receives a certified MBS with an LOA that fails edit in the entitlement system because of insufficient obligations, DFAS will increase the obligation to the billed value. If the LOA fails the edit because of no obligation, DFAS will either establish an obligation (if the Fund Manager can identify appropriate accounting data) or will assign the current default LOA that applies to that shipper as established by the shipper's headquarters. For example, for DLA shipments use the DLA default LOA. If the LOA fails the edit because of validity, DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the Service/agency default LOA to billed value and notify the Service/Agency HQ POC. DFAS will then process the payment to U.S. Bank. The DFAS payment office will notify the Service/Agency HQ of any obligation increase, the establishment of any obligation, or the use of the default LOA. This action will be in accordance with established DFAS procedures (See Memorandum for Directors, Defense Finance and Accounting Service Centers; Subject: Interim Manual Operating Procedures for Commercial Transportation Purchased Through the USBank PowerTracksm Service, (Section 5.1 Default LOA Assignment Notification), 30 Jun 99.

c. When Funds Managers obligate in bulk, prevalidation of the MBS by DFAS is greatly simplified and accomplished rapidly. Where possible, Funds Managers should establish bulk obligations for transportation services so that the accounting will be easier and the likelihood of DOD receiving a refund for rapid payment of MBS to U.S. Bank will be increased.

d. Once the MBS entries have been certified and prevalidated, DFAS will not cash manage the payment since faster payments increase the "file turn refund" received by DOD from U.S. Bank. DFAS will track and distribute appropriation refunds returned to DOD via this process. "File turn" represents the rate of turnover of US Bank's outstanding Accounts receivable with DOD. When this "file turn" is less than 30 days, US Bank will make a refund back to DOD. In other words, the faster that payments are made to US Bank, the more refund dollars DOD will realize.

ATTACHMENT 3

Business Rules for Bank Payment	
Condition	Rule
Line of Accounting fails edit in the entitlement system because of insufficient obligation	DFAS will increase obligation to billed value and notify the Service/Agency HQ POC.
Line of Accounting fails edit in the entitlement system because of no obligation	DFAS will either establish an obligation (if the appropriate accounting data can be identified) or will assign the current default Line of Accounting and process the payment to U.S. Bank. DFAS will notify the Service/Agency HQ POC of actions taken.
Line of Accounting fails edit in the entitlement system because of validity	DFAS will attempt to identify the correct LOA. If unsuccessful, DFAS will assign the Service/agency default LOA.
DFAS receives certified MBS	Once the certified MBS entries have been prevalidated, DFAS will not cash manage the payment in order to increase the “file turn refund” received by DOD from U.S. Bank. DFAS will track and distribute appropriation refunds returned to DOD via this process.

10. Dispute Resolution

a. The following guidelines will be followed regarding the creation of eBills for resolving under-/overpayments:

Business Rules for Dispute Resolution	
Condition	Rule
Carrier makes additional claim before carrier payment is approved	Carrier can request a price adjustment using an electronic journal entry. Submit eBill NOTE: DLA transportation offices will also accept phone call requests for price adjustment.
Carrier makes additional claim after carrier payment is approved	Submit eBill up to 16 months after payment. After 16 months (or if price is disputed), go to AMC Contracting Officer to request price change
Transportation office detects overpayment before carrier payment is approved.	Transportation office modifies government submitted price in PowerTrack and enters reason for price adjustment in an electronic journal entry

ATTACHMENT 3

Transportation office detects overpayment after carrier payment is approved.	Transportation office submits eBill within 60 days. After 60 days, go to AMC Contracting Officer to request price change.
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b. The carrier always has the option to go through the AMC Contracting Officer to request a price adjustment. However, a billing dispute must first go through the eBill process before requesting a price adjustment from the AMC Contracting Officer.

c. Either the transportation office or the carrier can submit an eBill. After the eBill is submitted to PowerTrack, the other party will have three (3) government business days to respond.

- The transportation office must take one of the following actions within 3 government business days of receiving an eBill from the carrier:
 - (1) Approve payment
 - (2) Deny payment (remarks required indicating why payment was denied)
 - (3) Hold payment (remarks required: requesting clarification or more information)
- The carrier must take one of the following actions within 3 government business days of receiving an eBill from the transportation office:
 - (1) Approve for credit
 - (2) Deny credit (remarks required indicating why credit was denied)
 - (3) Hold credit (remarks required requesting clarification or more information)
- Once a response is received as “on hold”, the party that placed the “hold” has 3 government business days to approve or deny the eBill.

d. When the transportation office or carrier creates an eBill, they will reference the CBL number or the user will append sequential letters to the CBL number for each eBill created. For example, if the CBL # is MC9912345, the first eBill will be assigned the identifier of MC9912345A, the second eBill will be assigned the identifier of MC9912345B, etc.

e. Price disputes that cannot be resolved between the Shipper and the Carrier within 60 days will be arbitrated by the Air Mobility Command (AMC) contracting officer. Price disputes that cannot be resolved by the AMC contracting officer will be forwarded to the General Services Board of Contracting Appeal for resolution.

ATTACHMENT 3

f. Any adjustments in the original payment estimate must be documented in a PowerTrack Journal Entry for the purposes of invoice certification and post payment examination.

Business Rules for eBills		
Condition	Rule	
Transportation office receives an eBill	Transportation office must take one of the following actions within 3 GBDs:	Approve payment
		Deny payment
		Hold payment
Carrier receives an eBill	Carrier must take one of the following actions within 3 GBDs:	Approve credit
		Deny credit
		Hold credit

11. Contract Data Generation

US Bank, through the PowerTrack system, will make COMALOC shipment and payment data available via the Web interface to AMC's Contract and Finance Organizations. AMC will use the shipment and payment data for budget accruals against specific contract and subcontract line numbers.

ATTACHMENT 5

Glossary of Terms for DTR Appendix bb

A. PURPOSE AND SCOPE

This Attachment provides a glossary of terms used in Defense Transportation Regulation Appendix bb.

B. GLOSSARY

Term	Definition
Accountable Official	The designated person who ensures that a system of internal procedures and controls for the portion of the entitlement- and/or payment-related process under their cognizance is in place to minimize opportunities for erroneous payments and to ensure that all procedural safeguards effecting proposed payments are observed; the Accountable Official supports their respective certifying officers with timely and accurate data, information, and/or service to ensure proper payments (i.e., payments that are supportable, legal, and computed correctly). Reference: DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers.
Accrual Transaction	An accounting transaction that adjusts the initial Government obligation that is in the accounting records.
Actual Expense Transaction	The actual is the amount disbursed less interest.
Automatic Approval	Functionality in PowerTrack that automatically approves for payment shipments that meet the Automatic Approval criteria. These criteria include matching of data elements, Maximum Price Thresholds, and Maximum Price Difference tolerances.
Automatic Payment	Functionality in PowerTrack that allows carriers to be paid by PowerTrack if the shipment meets the Automatic Approval criteria (thresholds and tolerances).
Bill of Lading (BoL)	A contract between the shipper and the carrier whereby the carrier agrees to furnish transportation services subject to the conditions printed on the bill of lading.
Carrier	Any individual, company, or corporation commercially engaged in transporting cargo or passengers. This may include third party providers.

ATTACHMENT 5

Term	Definition
Carrier Invoicing Model	The PowerTrack processing scenario in which the carrier generates and submits the priced BoL data to PowerTrack. The Shipper does not submit any BoL data to PowerTrack, but has the right to change price/data prior to approval of payment (if it is not automatically approved first)
Certifying Officer	Responsible for information stated in a voucher, supporting documents, and records; legality of a proposed payment under the appropriation or fund involved; Certifies the PowerTrack Monthly Billing Statement (MBS). This person must meet the requirements of DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers.
Commercial Bill of Lading (CBL)	Carrier documentation used for transportation of shipments, such as that used by small package express carriers. It includes the commercial procedures related to the use of such documentation.
Continental United States (CONUS)	The 48 contiguous states and the District of Columbia.
Defense Finance and Accounting Service (DFAS)	The agency responsible for a number of services related to the accounting, internal billing and payment of transportation CBLs. DFAS identifies and implements finance and accounting requirements, systems and functions for appropriated and non-appropriated funds, as well as working capital, revolving funds and trust fund activities.
Ebill	Functionality in PowerTrack that is used to request a debit (from a shipper to a carrier) or a credit (from a carrier to a shipper). The party initiating the eBill will not be paid until the other party approves it. eBills are most commonly used to reconcile or adjust shipment payment amounts for shipments that have already been approved.
Electronic Data Interchange (EDI)	The automated transaction environment for select systems interfaces to and from PowerTrack. EDI transaction are based upon DoD standard Interchange Conventions and approved by the Joint Electronic Commerce Program Office.
Government Business Day (GBD)	A business day (i.e., Monday through Friday) that is not a Federal Holiday.
Government Invoicing Model; also referred to as Self Invoicing Model	The PowerTrack processing scenario in which the Shipper generates and submits the priced BoL data to PowerTrack. The Carrier does not submit any priced data except in the eBill process.
Journal Entry	Functionality in PowerTrack used by Shippers and Carriers to document issues that may impact shipment data or payment of individual transactions.

ATTACHMENT 5

Term	Definition
Manifest	A document specifying, in detail, the items carried on a transportation conveyance for a specific destination.
Manual Approval	Functionality in PowerTrack that requires the Shipper to go to the PowerTrack website and approve a shipment payment by “marking” it as “approved for payment”. This must be performed if the shipment does not meet Automatic Approval criteria, or the shipment data is submitted under the Carrier Invoicing Model.
Matching Criteria	Data elements that PowerTrack uses to match Shipper submitted data with Carrier submitted data.
Matching Model	The PowerTrack processing scenario in which both Shipper and carrier submit shipment/price data. If the data matches, payment is approved automatically. Otherwise, the Shipper must manually approve payment.
Obligation	A formal reservation of funds that ensures funds are available for payment of Government contractual obligations. In PowerTrack, the obligation equates to the created shipper transaction.
Port Call File Number (PCFN)	Sealift identifier generated and assigned by IBS to uniquely identify a booking. This is sometimes referred to as the government’s booking number.
Reviewing Official	An individual appointed by the Commander to conduct pre- and post-payment reviews of payments certified by the certifying officer. The person appointed as a reviewing official may not concurrently serve as an accountable official, or as a certifying or disbursing officer. This individual must meet the requirements of DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers.
Shipping Instructions	Commercial document specifying, in detail, the items carried on a transportation conveyance for a specific destination. Shipping instructions contain primarily the same data that is found on a Transportation Control and Movement Document. However, the shipping instructions are not mandated by MILSTAMP.
Threshold	A maximum or minimum value (such as price) used in the automatic approval process of PowerTrack. If the value of a shipment is above a maximum approval threshold, it must be approved manually. If the value of a shipment is at or below the approval threshold, it is automatically approved (even if other specified data elements do not match). The threshold is established in the agreement between the government and the carrier.

ATTACHMENT 5

Term	Definition
Tolerance	<p>A percentage or maximum variance of a value that governs the automatic approval of a shipment payment, under the Matching Model only. If the difference between the Shipper submitted value and the Carrier submitted value is within a specified percentage, or within plus or minus the maximum variance, then payment will be approved at the Carrier submitted price. The tolerance is established in the agreement between the government and the carrier.</p> <p>NOTE: The spring 2000 release of PowerTrack will be modified so that it is the Shipper submitted price that is approved automatically.</p>
Verified Shipping Instructions (VSI)	<p>Shipping Instructions in which key shipping details have been verified against the original booking details. The VSI is submitted to the ocean carrier prior to lift of cargo and serves as the ultimate document for shipping details.</p>